



REPORT NO. CCDC-06-25

DATE ISSUED: July 19, 2006

ATTENTION: Honorable Chair and Members of the Redevelopment Agency
Docket of July 25, 2006

ORIGINATING DEPT.: Centre City Development Corporation

SUBJECT: Amendment to the Construction Agreement for the Rehabilitation
of the Historic Balboa Theatre (located at Fourth Avenue and E
Street) – Horton Plaza Redevelopment Project

COUNCIL DISTRICT(S): 2

REFERENCE: None

STAFF CONTACT: Gary J. Bosse, Senior Project Manager – Construction
(619) 533-7163

REQUESTED ACTION:

Approve Change Order No. 2 to the Agreement with PCL Construction Services, Inc., (“PCL”) in the amount of \$3,020,300 for a theatrical equipment package allowance, ornamental painting allowance for the audience chamber, and reinstatement of the bid day Alternate Bid Items 1 through 6 for the Rehabilitation of the Historic Balboa Theatre.

STAFF RECOMMENDATION:

That the Redevelopment Agency approve Change Order No. 2 to the Agreement with PCL in the amount of \$3,020,300 for a theatrical equipment package allowance, ornamental painting allowance for the audience chamber, and reinstatement of the bid day Alternate Bid Items 1 through 6 for the Rehabilitation of the Historic Balboa Theatre (the “Theatre”).

SUMMARY:

On April 5, 2006 bids were opened for the final renovation phase of the Theatre. Bids were submitted by three, pre-qualified, General Contractors. The lowest, responsible, and responsive bid was submitted by PCL in the amount of \$16,956,300. Based upon the January 24, 2006 Redevelopment Agency (the “Agency”) approval of the request to bid, the Agency was authorized to award the contract up to the estimated construction cost of \$14,038,000.

In order to keep the project on schedule, and to mitigate continued escalation of construction costs, it was proposed to award the contract to PCL without Alternate Bid Items 1 through 6, and to execute a deductive Change Order No. 1 removing the theatrical equipment package and ornamental painting allowances. The omission of the Alternate Bid Items would result in a \$386,300 bid decrease, and the deletion of the theatrical equipment package and ornamental painting allowances decreased the bid by \$1, 834,000 and \$800,000 respectively. These reductions totaled \$3,020,300 and reduced PCL's bid under the authorized amount, allowing the Agency to award the contract.

Change Order No. 2, the subject of this staff report, is the reinstatement of the theatrical equipment package and ornamental painting allowances as well as the Alternate Bid Items 1 through 6. Alternate Bid Items 1 through 6 are described as (1) Dressing room millwork, (2) Wood louver doors at toilet partitions, (3) Lobby expansion at the Rotunda, (4) Exterior lighting, (5) Third floor buildout, and (6) Wayfinding signage. The reinstatement of these items is critical to the Balboa having the theatrical performance capabilities and historic legitimacy that it needs to be successful. The additional necessary funding of these items of work was included in the FY 2007 CCDC budget.

FISCAL CONSIDERATIONS:

Funds are available in the Fiscal Year 2007 Horton Plaza Redevelopment Project, Balboa Theatre budget.

CENTRE CITY DEVELOPMENT CORPORATION RECOMMENDATION:

On June 28, 2006, the Centre City Development Corporation Board of Directors approved with a unanimous vote to approve Change Order No. 2 to the Agreement with PCL in the amount of \$3,020,300 for a theatrical equipment package allowance, ornamental painting allowance for the audience chamber, and reinstatement of the bid day Alternate Bid Items 1 through 6 for the Rehabilitation of the Theatre.

BACKGROUND

The rehabilitation of the Theatre advances the Visions and Goals of the Centre City Community Plan and the Objectives of the Horton Plaza Redevelopment Project by:

- Eliminating blight through the rehabilitation and upgrade of a significant historic structure;
- Strengthening the Arts District, thereby contributing to the growth of making downtown the dominant regional center for the arts, entertainment, dining and public festivals; and
- Providing a community facility to cater toward both downtown residents and visitors.

In addition, the Historic Preservation Focus Plan and the 2004-2009 Implementation Plans for Centre City and Horton Plaza specifically list the rehabilitation of the Theatre as a focus project.

The following provides a summary of the financial status of the Agreement:

Original Bid Amount*	April 5, 2006	\$16,570,000
Change Order No. 1	May 3, 2006	<u>(\$2,634,000)</u>
Bid Award		\$13,936,000
Proposed Change Order No. 2		\$3,020,300
Revised Bid Amount		<u>\$16,956,300</u>

**less Bid Alternates 1-6*

CONTRACTOR

ROLE/FIRM	CONTACT	OWNED BY
PCL Construction Services, Inc.	Darin Chestnut District Manager	Privately Owned

Firm Name: PCL Construction Services, Inc.		
PRINCIPALS AND PRIMARY STAFF ASSIGNED TO CONTRACT	TITLE	PRIMARY CONTACTS
Darin Chestnut	District Manager	✓

EQUAL OPPORTUNITY

Firm Name: PCL Construction Services, Inc.		
SUBCONTRACTORS	PRINCIPALS	FIRM CERTIFICATION
Miller Environmental, Inc. Anaheim, CA	Gregg Miller	OBE
Quality Reinforcing Poway, CA	Brian Miller	OBE
New Dimensions Masonry, Inc. San Diego, CA	Dennis Wighsosky	OBE
PC Iron, Inc. dba. Pacific Coast Iron Spring Valley, CA	Gerald Anderson	OBE
Spooner's Woodwork, Inc. Poway, CA	Tom and Steve Spooner	OBE
Ocean Door San Diego, CA	Gunnar Grimm	OBE
Restoration Works Kankakee, IL	Gail Wallace	OBE
Brady Company La Mesa, CA	Scott Brady	OBE
Painter's Unlimited CA, Inc. Oceanside, CA	Paul Marczynski	OBE
Schindler Elevator Corporation Irvine, CA	Grahm Exel	OBE
United Plumbing Systems, Inc. San Diego, CA	Robert Lo	OBE
Coastal Air, Inc. Oceanside, CA	Debbie Mendes & Judith Bailey	DBE
J. G. Tate Fire Protection Systems, Inc. Poway, CA	James G. Tate	OBE
Dynalectric Company San Diego, CA	Dave Raspolich	OBE
Prestige Concrete Poway, CA	Jerry Green	OBE
Stafford Environmental Services, Inc. dba. Bird Solutions International Vista, CA	Caroline Stafford	WBE
Logan's Marketing San Diego, CA	Ellis Logan	MBE
Sheldon Site Utilities Poway, CA	William Sheldon	OBE

PCL submitted a Work Force Report on April 25, 2006, which indicates a total of 39 employees in their San Diego office, of which 10 are females and 6 are members of under-represented ethnic groups.

(2) Hispanic Males

(2) Asian Females

(2) Asian Males

Current under-representations are as follows:

(1) Black management and financial

(2) Hispanic management and financial

(2) Filipino management and financial

(7) Female management and financial

The Asian and Filipino categories reflect areas of under-representations; however, the overall categories exceed the goals.

Equal Opportunity Contracting staff has requested an Equal Opportunity Plan and will continue to monitor the firm's effort to implement their plans.

There is no conflict of interest known to me regarding any Agency or Corporation officer or employee regarding this Agreement.

CONCLUSION

The restoration of the Theatre will play a vital role in fostering community participation in the arts and economic growth. The Theatre will become a multi-purpose performing arts center in the heart of downtown San Diego. This community treasure will become an exciting venue for cultural, commercial, community and convention activities. Approval of this Change Order ensures the Theatre will meet these objectives.

Respectfully submitted,

Concurred by:

Gary J. Bosse
Senior Project Manager - Construction

Nancy C. Graham
President